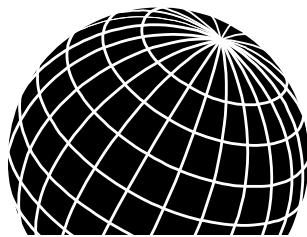


KANSAS ENTERTAINMENT, LLC

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
KANSAS ENTERTAINMENT

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 233,923,395	\$ 38,987,233	\$ -	\$ -	\$ -	
Property Tax	-	28,135,730	-	-	-	
Sales/Use Tax	58,995,930	25,045,440	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 292,919,325	\$ 92,168,403	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 801,366	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	262,162	
Fire Protection/EMS	-	1,474,099	-	-	-	
Total	\$ -	\$ 2,275,465	\$ -	\$ -	\$ 262,162	
Surplus/(Deficit)	\$ 292,919,325	\$ 89,892,938	\$ -	\$ -	\$ (262,162)	
Footnotes:						
1. City and County numbers provided by Kansas Entertainment combined into Unified Government.						

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 164,371,242	\$ 22,258,606	\$ 1,987,916	\$ 3,148,685	\$ -	
Property Tax	633,336	31,399,544	-	-	27,351,259	
Sales/Use Tax	26,990,865	11,458,386	-	-	-	
Income Tax	12,327,976	-	-	-	-	
Building Fees	-	396,909	-	-	-	
Lodging Tax	2,355,425	4,555,303	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 206,678,844	\$ 70,068,747	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 4,272,454	\$ -	\$ -	\$ -	
Public Works	-	8,198	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	417,712	-	-	-	
Total	\$ -	\$ 4,698,364	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 206,678,844	\$ 65,370,383	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259	

**FISCAL IMPACT--CONSTRUCTION
KANSAS ENTERTAINMENT**

Opening Date-Temporary Facility

Apr-09

Opening Date-Permanent Facility

Jan-11

Proposer's Estimates: 2009-2011						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 76,057,190	\$ 12,676,199	\$ -	\$ -	\$ -	
Property Tax	-	9,285,719	-	-	-	
Sales/Use Tax	33,969,676	14,421,088	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 110,026,866	\$ 36,383,006	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 536,361	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	225,877	
Fire Protection/EMS	-	1,140,556	-	-	-	
Total	\$ -	\$ 1,676,917	\$ -	\$ -	\$ 225,877	
Surplus/(Deficit)	\$ 110,026,866	\$ 34,706,089	\$ -	\$ -	\$ (225,877)	
Voluntary Contributions to State and Local Governments:						
1. Developer responsible for paying for all onsite and selected off-site infrastructure improvements relating to facility. Will provide land for fire/EMS facility. (Source: Developer Agreement with UG). No infrastructure costs in template.						
Footnotes:						
1. City and County numbers provided by Kansas Entertainment combined into Unified Government.						

Consultant's Estimates: 2009-2010						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax	5,773,062	2,450,828	-	-	-	
Income Tax	1,934,615	-	-	-	-	
Building Fees	-	396,909	-	-	-	
Lodging Tax	-	-	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 7,707,677	\$ 2,847,737	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 7,707,677	\$ 2,847,737	\$ -	\$ -	\$ -	

Consultant's Comments:

1. Proposer does not list infrastructure costs in its template. However, Development Agreement with UG clearly states that Developer is responsible for all onsite and selected off-site infrastructure improvements relating to facility.

FISCAL IMPACT: 2012-2013
KANSAS ENTERTAINMENT

Proposer's Estimates					
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ 157,866,205	\$ 26,311,034	\$ -	\$ -	\$ -
Property Tax	-	18,850,011	-	-	-
Sales/Use Tax	25,026,254	10,624,352	-	-	-
Income Tax	-	-	-	-	-
Lodging Tax	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Total	\$ 182,892,459	\$ 55,785,397	\$ -	\$ -	\$ -
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 265,005	\$ -	\$ -	\$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	36,285
Fire Protection/EMS	-	333,543	-	-	-
Total	\$ -	\$ 598,548.00	\$ -	\$ -	\$ 36,285.00
Surplus/(Deficit)	\$ 182,892,459	\$ 55,186,849	\$ -	\$ -	\$ (36,285)
Voluntary Contributions to Community and Governments (not included above):					
1. \$1.135 annual contribution to schools, social services, charities, Parks and Rec, CVB, and Cof C.					
2. Additional 1% GGR to UG. (Source: Development Agreement with UG)					
Footnotes:					
1. City and County numbers provided by Kansas Entertainment combined into Unified Government.					

Consultant's Estimates					
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ 164,371,242	\$ 22,258,606	\$ 1,987,916	\$ 3,148,685	\$ -
Property Tax	633,336	31,399,544	-	-	27,351,259
Sales/Use Tax	21,217,803	9,007,558	-	-	-
Income Tax	10,393,361	-	-	-	-
Building Fees	-	-	-	-	-
Lodging Tax	2,355,425	4,555,303	-	-	-
School State Aid	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Total	\$ 198,971,167	\$ 67,221,010	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 4,272,454	\$ -	\$ -	\$ -
Public Works	-	8,198	-	-	-
Education	-	-	-	-	-
Building Inspection	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-
Admin. Overhead	-	417,712	-	-	-
Total	\$ -	\$ 4,698,364	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 198,971,167	\$ 62,522,646	\$ 1,987,916	\$ 3,148,685	\$ 27,351,259

Consultant's Comments:		<u>2012</u>	<u>2012</u>
Kansas Entertainment	GGR Estimate	\$ 324,827,582	Visitors 8,527,873
Consultants	GGR Estimate	\$ 222,680,000	Visitors 2,886,526

APPENDIX 1
KANSAS ENTERTAINMENT, LLC
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	62,500	\$ 38,442,916	\$ 15,129,944	\$ 12,524,873
	Hotel	106,250	65,352,957	25,720,904	3,952,284
	Restaurants	44,005	27,066,581	10,652,570	1,636,878
	Entertainment	55,500	34,137,309	13,435,390	2,064,487
	Casino Retail	2,500	1,537,717	605,198	92,995
	Retail District	82,750	50,898,421	20,032,045	3,078,132
Subtotal		353,505	217,435,900	85,576,050	23,349,650
Year 2	Casino	62,500	31,453,295	15,129,944	43,512,368
	Hotel	106,250	53,470,601	25,720,904	4,611,026
	Restaurants	44,005	22,145,384	10,652,570	1,909,703
	Entertainment	55,500	27,930,526	13,435,390	2,408,583
	Casino Retail	2,500	1,258,132	605,198	108,495
	Retail District	82,750	41,644,162	20,032,045	3,591,176
Subtotal		353,505	177,902,100	85,576,050	56,141,350
TOTAL		707,009	\$ 395,338,000	\$ 171,152,100	\$ 79,491,000

APPENDIX 1, ASSUMPTIONS:

1. Construction of the permanent development is estimated to take 28 months (September 2008 to January 2011).

It should be noted that land and building costs incurred in 2008 are shown in Year 1 of development, which corresponds to 2009.

	Sq. Footage	Other Information
Casino	125,000	3,000 slot machines, 140 table games (of which 50 are poker)
Hotel	212,500	350 guest rooms, both standard and premium
Restaurants	88,009	restaurants and bars
Entertainment	111,000	convention space/entertainment showroom
Casino Retail	5,000	retail outlets
Retail District	<u>165,500</u>	includes entertainment/retail/dining space
Total	707,009	

Source: Developer's application/template.

Note: the Timeline in the template has an estimated opening date for a temporary casino "If the project is going to involve a temporary casino" and a temporary facility was mentioned in the presentation on August 13 to the Review Board. However, the template has no financial or employment information nor a description of the facility. Thus, it is not included in the fiscal impact analysis.

2. Construction costs are estimated using above square footages and cost breakdown provided by Kansas Entertainment LLC in its template document:

	Land	Building	FF&E*	Total**
\$	15,000,000	\$ 380,338,000	\$ 79,491,000	\$ 474,829,000

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
KANSAS ENTERTAINMENT, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 38,442,916	\$ 12,524,873	\$ 50,967,789	\$ 12,741,947			
	Hotel	65,352,957	3,952,284	69,305,241	17,326,310			
	Restaurants	27,066,581	1,636,878	28,703,459	7,175,865			
	Entertainment	34,137,309	2,064,487	36,201,797	9,050,449			
	Casino Retail	1,537,717	92,995	1,630,712	407,678			
	Retail District	50,898,421	3,078,132	53,976,553	13,494,138			
Subtotal		217,435,900	23,349,650	240,785,550	60,196,388	\$ -	\$ -	\$ -
Year 2	Casino	31,453,295	43,512,368	127,086,740	31,771,685			
	Hotel	53,470,601	4,611,026	125,395,173	31,348,793			
	Restaurants	22,145,384	1,909,703	51,933,665	12,983,416			
	Entertainment	27,930,526	2,408,583	65,500,537	16,375,134			
	Casino Retail	1,258,132	108,495	2,950,475	737,619			
	Retail District	41,644,162	3,591,176	97,660,711	24,415,178			
Subtotal		177,902,100	56,141,350	470,527,300	117,631,825	\$ 3,899,462	\$ 4,476,625	\$ 90,295
Year 3	Casino	-	-	129,218,224	32,304,556			
	Hotel	-	-	129,018,697	32,254,674			
	Restaurants	-	-	53,434,384	13,358,596			
	Entertainment	-	-	67,393,296	16,848,324			
	Casino Retail	-	-	3,035,734	758,934			
	Retail District	-	-	100,482,797	25,120,699			
Subtotal		-	-	482,583,132	120,645,783	\$ 7,620,072	\$ 8,747,926	\$ 176,448
Year 4	Casino	-	-	131,413,654	32,853,413			
	Hotel	-	-	132,750,927	33,187,732			
	Restaurants	-	-	54,980,124	13,745,031			
	Entertainment	-	-	69,342,837	17,335,709			
	Casino Retail	-	-	3,123,551	780,888			
	Retail District	-	-	103,389,546	25,847,386			
Subtotal		-	-	495,000,640	123,750,160	\$ 7,815,313	\$ 8,972,065	\$ 180,969
Year 5	Casino	-	-	133,674,946	33,418,737			
	Hotel	-	-	136,595,124	34,148,781			
	Restaurants	-	-	56,572,237	14,143,059			
	Entertainment	-	-	71,350,865	17,837,716			
	Casino Retail	-	-	3,214,003	803,501			
	Retail District	-	-	106,383,497	26,595,874			
Subtotal		-	-	507,790,672	126,947,668	\$ 8,016,412	\$ 9,202,928	\$ 185,625
TOTAL		\$ 395,338,000	\$ 79,491,000			\$ 27,351,259	\$ 31,399,544	\$ 633,336

APPENDIX 2
KANSAS ENTERTAINMENT, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	64.7790	
Unified Government \$	74.3670	Includes Wyandotte County and Kansas City rates.
State \$	1.5000	

Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Source: Wyandotte County/Kansas City Unified Government Manager. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25.0%** of appraised value for both real and personal property for commercial property
Source: Kansas Department of Revenue website.
4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

APPENDIX 3
KANSAS ENTERTAINMENT, LLC
SALES TAX REVENUE

<u>YEAR</u>		<u>SQUARE FT.</u> <u>BUILT</u>	<u>CONSTRUCTION</u> <u>MATERIALS</u> <u>COST</u>	<u>FF&E</u> <u>PURCHASES</u>	<u>RETAIL</u> <u>SALES</u>	<u>TOTAL</u> <u>TAXABLE</u> <u>SALES</u>	<u>KANSAS</u> <u>CITY</u> <u>REVENUE</u>	<u>WYANDOTTE</u> <u>COUNTY</u> <u>REVENUE</u>	<u>STATE OF</u> <u>KANSAS</u> <u>REVENUE</u>
Year 1	Casino	62,500	\$ 15,129,944	\$ 12,524,873	\$ -	\$ 27,654,817			
	Hotel	106,250	25,720,904	3,952,284	-	29,673,188			
	Restaurants	44,005	10,652,570	1,636,878	-	12,289,448			
	Entertainment	55,500	13,435,390	2,064,487	-	15,499,877			
	Casino Retail	2,500	605,198	92,995	-	698,193			
	Retail District	82,750	20,032,045	3,078,132	-	23,110,177			
	Subtotal	353,505	85,576,050	23,349,650	-	108,925,700	\$ 1,361,571	\$ 1,089,257	\$ 5,773,062
Year 2	Casino	62,500	15,129,944	43,512,368	-	58,642,312			
	Hotel	106,250	25,720,904	4,611,026	-	30,331,930			
	Restaurants	44,005	10,652,570	1,909,703	-	12,562,272			
	Entertainment	55,500	13,435,390	2,408,583	-	15,843,973			
	Casino Retail	2,500	605,198	108,495	-	713,692			
	Retail District	82,750	20,032,045	3,591,176	-	23,623,221			
	Subtotal	353,505	85,576,050	56,141,350	-	141,717,400	\$ 1,771,468	\$ 1,417,174	\$ 7,511,022
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	23,274,648	23,274,648			
	Entertainment	-	-	-	9,768,710	9,768,710			
	Casino Retail	-	-	-	6,063,755	6,063,755			
	Retail District	-	-	-	33,255,709	33,255,709			
	Subtotal	-	-	-	72,362,822	72,362,822	\$ 904,535	\$ 723,628	\$ 3,835,230
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	23,890,720	23,890,720			
	Entertainment	-	-	-	10,158,224	10,158,224			
	Casino Retail	-	-	-	6,308,579	6,308,579			
	Retail District	-	-	-	51,380,070	51,380,070			
	Subtotal	-	-	-	91,737,593	91,737,593	\$ 1,146,720	\$ 917,376	\$ 4,862,092
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	24,515,615	24,515,615			
	Entertainment	-	-	-	10,517,720	10,517,720			
	Casino Retail	-	-	-	6,563,287	6,563,287			
	Retail District	-	-	-	52,921,472	52,921,472			
	Subtotal	-	-	-	94,518,094	94,518,094	\$ 1,181,476	\$ 945,181	\$ 5,009,459
TOTAL		707,009	\$ 171,152,100	\$ 79,491,000	\$ 258,618,510	\$ 509,261,610	\$ 6,365,770	\$ 5,092,616	\$ 26,990,865

APPENDIX 3
KANSAS ENTERTAINMENT, LLC
SALES TAX REVENUE

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows: Designation
- | |
|---------------------|
| 1.250% City |
| 1.000% County |
| <u>5.300% State</u> |
| 7.550% TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

3. Retail sales revenue for casino retail, food and beverage and entertainment components uses the Developer's estimates. Source: Developer's template.

Developer does not estimate revenue from the retail/F&B establishments within the Retail District. Analysis estimates this revenue at \$ **260.00** per square foot.

Source: "Dollars & Cents of Shopping Centers/The SCORE 2006." Urban Land Institute and International Council of Shopping Centers. Data for Super Community/Community Shopping Centers in the MidWest. P.156. Data is for 2006, inflated 3% annually thereafter.

According to the developer, the center will be operational by May 2011.

APPENDIX 4
KANSAS ENTERTAINMENT, LLC
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-	-
Year 3	Casino	222,680,000	1,023,755	646,345	1,670,100	5,567,000	48,989,600	4,453,600
Year 4	Casino	228,247,000	1,049,348	662,504	1,711,853	5,706,175	50,214,340	4,564,940
Year 5	Casino	233,953,175	1,075,582	679,067	1,754,649	5,848,829	51,469,699	4,679,064
TOTAL		\$ 3,148,685	\$ 1,987,916	\$ 5,136,601	\$ 17,122,004	\$ 150,673,639	\$ 13,697,604	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR \$ 211,160,000
Cummings GGR 234,200,000
Average \$ 222,680,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	2.5%	of all lottery gaming revenues. Additional 1% per Development Agreement with UG.
Kansas City	0.75%	of all lottery gaming revenues.
Bonner Springs	0.46%	of all lottery gaming revenues.
Edwardsville	0.29%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Kansas City will be the host city, retaining 50% of city-share and Bonner Springs and Edwardsville will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and size of each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Spring	7,069	61.30%
Edwardsville	4,463	38.70%

11,532 Source: US Census Bureau. "Population Finder."

3. Year 3 assumes first full year of operation for the permanent facility.

APPENDIX 5
KANSAS ENTERTAINMENT, LLC
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 38,453,265	\$ 33,300	\$ 1,934,615
	Operating	-	-	-
Subtotal		38,453,265	33,300	1,934,615
Year 2	Construction	44,241,929	33,300	2,225,847
	Operating	-	-	-
Subtotal		44,241,929	33,300	2,225,847
Year 3	Construction	-	-	-
	Operating	55,581,631	27,916	2,652,564
Subtotal		55,581,631	27,916	2,652,564
Year 4	Construction	-	-	-
	Operating	56,693,264	28,475	2,722,041
Subtotal		56,693,264	28,475	2,722,041
Year 5	Construction	-	-	-
	Operating	57,827,129	29,044	2,792,908
Subtotal		57,827,129	29,044	2,792,908
TOTAL		\$ 252,797,219	\$	12,327,976

APPENDIX 5, ASSUMPTIONS:

1. Construction salary per employee is estimated at \$ **33,300** excluding benefits per Developer template. Salary is held constant through the analysis per Developer's template. Year 1 (2009) includes payroll information for the last quarter of 2008, for a total of 5 quarters.
2. Operating salary per employee is estimated at \$ **27,916** excluding benefits per Developer template. Salary is inflated by 2% annually per Developer's template.
3. Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
KANSAS ENTERTAINMENT, LLC
ESTIMATED BUILDING PERMIT FEE REVENUE

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>CONSTRUCTION VALUATION</u>	<u>UNIFIED GOVERNMENT PERMIT REVENUE</u>
Year 1	Casino	125,000	\$ 19,762,500	\$ 80,155
	Hotel	212,500	29,597,000	119,493
	Restaurants	88,009	11,924,339	48,802
	Entertainment	111,000	19,713,600	79,959
	Casino Retail	5,000	489,950	2,525
	Retail District	165,500	16,217,345	65,974
Total		707,009	\$ 97,704,734	\$ 396,909

APPENDIX 6, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	<u>Suggested Value/Sq. Ft.</u>	
Casino	\$158.10	
Hotel	\$139.28	
Restaurants	\$135.49	
Entertainment	\$177.60	Source: "Building Valuation Data." Square Foot
Retail	\$97.99	Construction Costs table, values for IIB style construction.

Building permit fee revenue is estimated in Year 1 for the entire development prior to construction.

2. Commercial building permit fee calculation:

\$30	per first	\$30,000	plus
\$0.75	for each additional	\$100	of value.
\$225	for value between	\$30,000-1,000,000	plus
\$0.50	for each additional	\$100	of value.
\$5,105	for value above	\$1,000,000	plus
\$0.40	for each additional	\$100	of value.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

3. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

APPENDIX 7
KANSAS ENTERTAINMENT, LLC
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	350	14,158,806	1,309,690	141,588	750,417
Year 4	Hotel	350	14,827,000	1,371,498	148,270	785,831
Year 5	Hotel	350	15,456,170	1,429,696	154,562	819,177
TOTAL			\$ 44,441,976	\$ 4,110,883	\$ 444,420	\$ 2,355,425

APPENDIX 7, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
9.250% City
1.000% County
<u>5.300%</u> State
15.550% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

- Room revenue based on Developer's estimates. Source: Developer's template.
- Analysis assumes complementary rooms will have tax assessed.

APPENDIX 8
KANSAS ENTERTAINMENT, LLC
SUMMARY OF ESTIMATED REVENUE

YEAR		STATE OF KANSAS	KANSAS CITY SCHOOL DIST.	BONNER SPRINGS	EDWARDS- VILLE	WYANDOTTE COUNTY	KANSAS CITY	UNIFIED GOV'T TOTAL
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	5,773,062	-	-	-	1,089,257	1,361,571	2,450,828
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	1,934,615	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	396,909	-	396,909
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		7,707,677	-	-	-	1,486,166	1,361,571	2,847,737
Year 2	Property Tax	90,295	3,899,462	-	-	4,476,625	-	4,476,625
	Sales Tax Revenue	7,511,022	-	-	-	1,417,174	1,771,468	3,188,642
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	2,225,847	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		9,827,164	3,899,462	-	-	5,893,799	1,771,468	7,665,266
Year 3	Property Tax	176,448	7,620,072	-	-	8,747,926	-	8,747,926
	Sales Tax Revenue	3,835,230	-	-	-	723,628	904,535	1,628,163
	Gaming Revenue	53,443,200	-	1,023,755	646,345	5,567,000	1,670,100	7,237,100
	Income Tax Revenue	2,652,564	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	750,417	-	-	-	141,588	1,309,690	1,451,278
Subtotal		60,857,858	7,620,072	1,023,755	646,345	15,180,142	3,884,325	19,064,467
Year 4	Property Tax	180,969	7,815,313	-	-	8,972,065	-	8,972,065
	Sales Tax Revenue	4,862,092	-	-	-	917,376	1,146,720	2,064,096
	Gaming Revenue	54,779,280	-	1,049,348	662,504	5,706,175	1,711,853	7,418,028
	Income Tax Revenue	2,722,041	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	785,831	-	-	-	148,270	1,371,498	1,519,768
Subtotal		63,330,214	7,815,313	1,049,348	662,504	15,743,886	4,230,070	19,973,956
Year 5	Property Tax	185,625	8,016,412	-	-	9,202,928	-	9,202,928
	Sales Tax Revenue	5,009,459	-	-	-	945,181	1,181,476	2,126,657
	Gaming Revenue	56,148,762	-	1,075,582	679,067	5,848,829	1,754,649	7,603,478
	Income Tax Revenue	2,792,908	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	819,177	-	-	-	154,562	1,429,696	1,584,257
Subtotal		64,955,931	8,016,412	1,075,582	679,067	16,151,500	4,365,821	20,517,321
TOTAL		\$ 206,678,844	\$ 27,351,259	\$ 3,148,685	\$ 1,987,916	\$ 54,455,493	\$ 15,613,254	\$ 70,068,747

APPENDIX 8
KANSAS ENTERTAINMENT, LLC
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.
2. Property tax revenue for the Unified Government is shown under Wyandotte County, but is attributed to both the County and Kansas City.
3. Revenue in the Unified Government Total column is the sum of estimated revenue for the Wyandotte County and Kansas City.

APPENDIX 9
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
STREETS DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	3,300	0.78	-
Year 3	0	0.80	2,652
Year 4	0	0.83	2,732
Year 5	0	0.85	2,814
TOTAL	3,300	\$	8,198

APPENDIX 9, ASSUMPTIONS:

1. A total of **3,300** lane-feet of pavement will be built for development access and maintained by the Unified Government.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
2. Maintenance cost per lane-mile is estimated at **\$ 4,000**
and per lane-foot of **\$ 0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

APPENDIX 10
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
POLICE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	4,449	11.5	4.4	863,785	101,307	611,298	1,576,389
Year 4	4,449	11.5	4.4	898,336	105,359	-	1,003,695
Year 5	4,449	11.5	4.4	934,270	109,573	648,526	1,692,369
TOTAL				\$ 2,696,391	\$ 316,239	\$ 1,259,824	\$ 4,272,454

APPENDIX 10, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 13 for calculation). Employees and visitors are assumed in Year 3, first full year of operation.
- Uniformed positions are estimated using a ratio of **2.59** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **1.00** employee per 1,000 population.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Uniformed \$	43,226	\$ 12,968	\$ 56,194
Non-uniformed	20,800	6,240	27,040

Benefits are estimated at **30%** of salary costs. Salary and benefits costs are increased 4% annually.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Services/supplies are estimated at **12%** of salaries and benefits.

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%
CP % of P*	5%	5%	5%	5%

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:

One vehicle is added for each uniformed position at a cost of \$ **50,000** per vehicle, inflated 3% annually and replaced every 18 months.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Employment-related costs such as a uniform allowance of **\$910** annually per officer and **\$50,000** one-time training fee per officer and annual vehicle maintenance costs of \$ **14,211** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

APPENDIX 11
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

YEAR	STREETS DEPARTMENT	POLICE DEPARTMENT	WASTEWATER DEPARTMENT	FIRE/EMS DEPARTMENT	COMMUNITY DEVELOPMENT	ADMIN. OVERHEAD	TOTAL COSTS
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	2,652	1,576,389	-	-	-	154,085	1,733,127
Year 4	2,732	1,003,695	-	-	-	98,209	1,104,636
Year 5	2,814	1,692,369	-	-	-	165,418	1,860,601
TOTAL	\$ 8,198	\$ 4,272,454	\$ -	\$ -	\$ -	\$ 417,712	\$ 4,698,364

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all department costs.
2. According to the Wyandotte County/Kansas City Unified Government County Manager's Office, no additional Waste Water, Community Development and EMS/Fire department costs will be incurred.
3. Administrative overhead costs estimated at **10%** of all department costs estimated in this analysis.
Source: Wyandotte County/Kansas City Unified Government Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund and other funds for which costs are incurred.

Direct	2006	2007	2008	Average
Appraiser	2,575,982	3,513,499	3,037,620	3,042,367
Community Correct.	2,579,176	3,107,099	3,113,287	2,933,187
Emergency Manag.	898,313	2,618,444	2,138,657	1,885,138
Fire Department	39,623,581	40,096,328	42,489,614	40,736,508
Police Department	44,056,351	43,178,454	44,956,580	44,063,795
Sheriff	16,465,641	17,585,021	17,144,004	17,064,889
Court Trustees	334,618	418,439	434,039	395,699
District Attorney	3,699,118	3,892,956	4,034,802	3,875,625
District Court	2,231,890	3,185,043	2,960,001	2,792,311
Law Library	30,879	31,662	30,377	30,973
Municipal Court	1,468,512	1,508,985	1,553,899	1,510,465
Process Servers	646,957	639,269	652,398	646,208
Aging	2,943,667	4,732,730	4,825,263	4,167,220
Community Programs	10,648,272	10,148,700	9,376,311	10,057,761
Coroner	225,154	200,152	203,481	209,596
Economic Development	5,350,220	5,080,672	3,957,476	4,796,123
Elections	1,239,337	1,368,368	1,384,967	1,330,891
Health Department	7,403,746	10,471,447	11,070,401	9,648,531
Historical Museum	233,853	276,367	249,618	253,279
Human Services	3,170,125	3,731,092	3,735,564	3,545,594
Mental Health	636,950	643,428	661,741	647,373
Neighborhood Resource Ctr.	5,172,941	4,464,883	3,999,153	4,545,659
Parks and Recreation	7,837,624	9,083,406	8,944,325	8,621,785
Register of Deeds	1,173,854	1,571,824	615,567	1,120,415
Transit	3,868,232	5,003,429	5,148,176	4,673,279
Planning/Zoning	801,690	710,681	739,666	750,679
Public Works	61,416,961	53,583,480	63,267,107	59,422,516
Soil Conservation	55,456	60,324	62,054	59,278
County Fair	189,315	204,888	204,888	199,697
Library	1,071,455	1,544,019	1,718,896	1,444,790
Convention and Visitor's	680,000	545,530	800,000	675,177
Total	228,729,870	233,200,619	243,509,932	235,146,807

APPENDIX 11
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

Indirect	2006	2007	2008	Average
Administration/Clerk	1,530,481	1,479,832	1,552,957	1,521,090
COD Administration	155,033	209,310	224,354	196,232
County Administrator	1,036,002	1,154,792	1,316,300	1,169,031
Finance	3,997,285	4,810,705	5,239,581	4,682,524
Human Resources	1,297,075	1,243,934	1,311,926	1,284,312
Legal	2,818,711	3,310,196	3,319,855	3,149,587
Legislative Auditor	607,934	747,118	774,335	709,796
OS Business Office	186,881	187,116	201,290	191,762
Procurement/Contract	530,460	629,747	644,315	601,507
Technology	6,714,805	6,076,022	6,059,461	6,283,429
Public Safety Business	2,029,674	1,598,988	1,593,406	1,740,689
Extension Council	383,139	488,665	425,045	432,283
Special Community Grants	767,365	1,032,810	1,151,037	983,737
Total	22,054,845	22,969,235	23,813,862	22,945,981
 % Indirect of Direct	 10%	 10%	 10%	 10%

**APPENDIX 12
KANSAS ENTERTAINMENT, LLC
KANSAS CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT**

<u>YEAR</u>	<u>GENERAL STATE AID</u>		<u>LOCAL EFFORT</u>		<u>TOTAL CONTRIBUTION</u>		<u>TOTAL COSTS</u>		<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$	-	\$	-	\$	-	\$	-	\$	-
Year 2		-		3,899,462		3,899,462		-	3,899,462	3,899,462
Year 3		-		7,620,072		7,620,072		-	7,620,072	11,519,534
Year 4		-		7,815,313		7,815,313		-	7,815,313	19,334,847
Year 5		-		8,016,412		8,016,412		-	8,016,412	27,351,259
TOTAL	\$	-	\$	27,351,259	\$	27,351,259	\$	-	\$	27,351,259

APPENDIX 12, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at **\$ 4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

APPENDIX 13
KANSAS ENTERTAINMENT, LLC
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS MOVING TO THE AREA	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	1,991	1,155	-	-	7,744	4,449

APPENDIX 13, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **1,991** employees.
Source: Developer's application/template.
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

- a. Report by Richard Wells estimated approximately **8,198** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **7,619** daily visitors to the development, including local residents. The analysis uses the average of these **7,908**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' penetration rate of **38.6%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **60,026** or approximately **164.5** visits a day. The analysis assumes no additional costs associated with these local visitors, costs are estimated only for the **7,744** non-local visitors.

Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.